

1990 - No. 610

**WORKERS COMPENSATION ACT 1987 - REGULATION**

(Relating to the Insurers' Guarantee Fund)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Workers Compensation Act 1987, has been pleased to make the Regulation set forth hereunder.

JOHN FAHEY  
Minister for Industrial Relations.

**Commencement**

1. This Regulation commences on 28 September 1990.

**Amendment.**

2. The Workers Compensation (General) Regulation 1987 is amended by inserting after Part 13 the following Part:

**PART 14 - INSURERS' GUARANTEE FUND**

**Definitions**

40. Expressions used in this Part have the same meanings as in Division 7 of Part 7 of the Act.

**Financial years for contributions to Fund Insurers' Guarantee Fund**

41. For the purposes of section 228 (1) of the Act, the financial year commencing 1 July 1989 and any subsequent financial year are prescribed.

**Time etc. for payment of insurer's contribution**

42. (1) The contribution payable by an insurer under section 228 of the Act in respect of the financial year commencing 1 July 1989 is payable:

- (a) within one month after the commencement of this Part; or
- (b) within such further time as may be determined by the Authority and specified by the Government Insurance Office in a notice to the insurer.

(2) The contribution payable by an insurer under section 228 of the Act in respect of any subsequent financial year is payable:

- (a) except as provided by paragraph (b), in quarterly instalments (each being equal to one-fourth of the contribution payable) due on the last day of each quarter of the financial year; or
- (b) in such other instalments and within such other time as may be determined by the Authority and specified by the Government Insurance Office in a notice to the insurer.

**Further contributions payable by insurers**

43. (1) If the Government Insurance Office has determined an amount under section 228 (1) of the Act in respect of a financial year, it may subsequently determine under that provision a further amount to be contributed to the Guarantee Fund in respect of that year, being an amount which it considers is necessary:

- (a) to satisfy, during that financial year, claims, judgments and awards arising from or relating to policies of insurance issued by insolvent insurers; and
- (b) to provide for the payment of any other amounts to be paid under Division 7 of Part 7 of the Act from the Guarantee Fund during that financial year.

(2) Section 228 of the Act applies to and in respect of the payment of any such further contribution.

**Rebates for insurers who contributed to an advance from the Premiums Adjustment Fund**

44. (1) The Government Insurance Office is to determine the amount under section 228 (1) of the Act on the basis that money advanced to the Guarantee Fund from the Premiums Adjustment Fund under clause 38 is to be repaid during the financial year in which the money was advanced to the Guarantee Fund.

(2) However, if the Authority notifies the Government Insurance Office that the money so advanced is not to be repaid during that financial year, the Government Insurance Office is required to reduce the contributions of eligible insurers to the Guarantee Fund by such proportion as the Authority determines.

(3) In this clause, "eligible insurer", in relation to an advance made to the Guarantee Fund, means an insurer who contributed money to the Premiums Adjustment Fund which the Authority determines was used to make the advance.

**Determination of contributions and further contributions**

45. (1) For the purpose of determining the amount of any contribution (or further contribution) to the Guarantee Fund, the Government Insurance Office is entitled to rely on an estimate (determined by the Authority) of the amount required to be contributed by insurers to the Workcover Authority Fund.

(2) If the Authority notifies the Government Insurance Office of any change in that estimate, the Government Insurance Office is required to re-determine the contributions (or further contributions) of insurers to the Guarantee Fund, and the relevant amounts become payable by, or repayable to, insurers.

**Contributions from statutory funds of current insurers**

46. (1) The Authority may direct an insurer (within the meaning of Division 4 of Part 7 of the Act) to pay contributions (or further contributions) under section 228 of the Act from such statutory funds of the insurer as the Authority determines.

(2) For the purposes of section 197 (i) of the Act, the payment of such contributions (or further contributions) from those statutory funds is authorised.

**EXPLANATORY NOTE**

The object of this Regulation is to provide, in accordance with sections 228 and 239 of the Workers Compensation Act 1987, for the contributions and further contributions to be paid by insurers to the Insurers' Guarantee Fund. Under the Act contributions are payable in respect of such years and at such times etc. as are prescribed by the regulations. Contributions are required to meet the liabilities of the insolvent insurer, National Employers' Mutual General Insurance Association Limited. In addition to those prescriptions, the Regulation authorises the imposition of additional contributions in respect of any financial year during which insufficient money has been collected and authorises rebates to insurers who contributed to the advance made from the Premiums Adjustment Fund pending contributions under this Regulation.

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